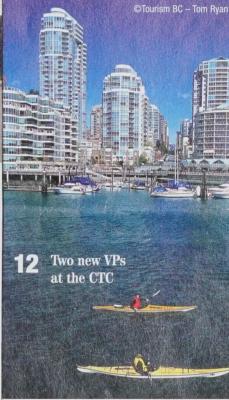
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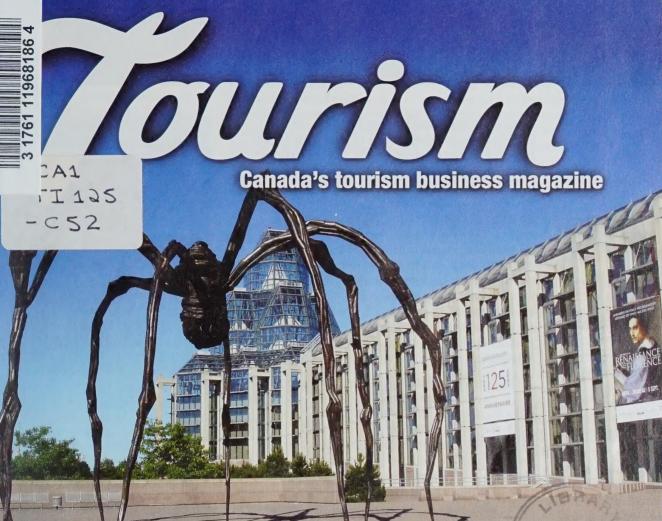


Moving forward

A discussion with Michele McKenzie

Canadian Tourism Commission (CTC) president and CEO Michele McKenzie affirms that Canada's national tourism marketing corporation is firmly on-track with its mandate to promote Canada to travellers world-wide. "We have a lot happening right now from a strategic point of view."

continued on page 3



Our best kept secret

Industry Enhancement

Canada is a destination with culture... but is it a cultural destination? Canadian museums and galleries are held in high regard by the arts community for their stunning architecture, affordable and accessible admission and remarkable diversity of content. Despite all this Canada doesn't have a "Met", a Louvre or a Guggenheim, so is the strength of our exhibitions and facilities enough to draw international visitors away from our more famous competitors?

Canada has proven its ability to attract and host exhibits of cultural and historical significance many times in the past. John R. Porter, executive director at the Musée national des beaux-arts du Québec (MNBA), feels these exhibits hold a great deal of promise for the reputation of Canadian arts and culture. When visitors

have a positive experience with a Canadian museum or gallery (whether for a Canadian artist or not) they are drawn to come back again. It allows an opportunity to, for a moment, showcase the unique cultural products we can offer.

The success of an exhibit is not measured the way other tourism products measure success. There are many factors to consider, and not all provide quantitative numbers. Galleries and museums are pleased to see a rise in visitation but this is not the principle measure; public awareness and education, the growth of the community, the acceptance of Canadian art, and the publication of new research findings are all measures of success for these operations, and they come to bear when creating and marketing an upcoming exhibit.

Pauline Rafferty, CEO of the Royal BC Museum, explains that, "as 'the' museum of British Columbia", it serves to educate and inform the public on the human and natural history of the province. She estimates over 40% of the museum's visitors are from outside the Victoria area, with her only international market being border markets in the US.

In Porter's case, with the MNBA, he works to promote and educate within the Quebec market as his primary audience, both the city and the province. Only one to two percent of the MNBA's visitation is generated outside of Canada.

Canada has proven its ability to attract and host exhibits of cultural and historical significance many times in the past.

The mandates of national institutions have a slightly broader scope. "We do have a Canadian and international aspect built into our mandate," explains Joanne Charette, director of Public Affairs with the National Gallery of Canada. "We are working to educate and promote Canadian art

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Staying on top of it all

Editorial PETER KINGSMILL



Keeping informed about all the issues that could — and often do — impact your business is an essential component of success, and often a dizzying task. Smaller businesses, who usually cannot afford to have a staff member or team dedicated to this, are often at a disadvantage especially during peak operating season when life tends to go by as a bit of a blur.

For any business, at least half the battle is understanding who does what, selecting reliable sources of information, and knowing who are the "go to" organizations when you need services, help, or even just advice. And part of the challenge is that, over time, organizations on your list may go through changes themselves.

There can be some confusion, evidence of which can be seen in the responses we received (see *From the front-lines...TOURISM* Online, July 2005) when we recently

asked businesses what they would like to see the Canadian Tourism Commission (CTC) tackle in 2005. Important industry issues abound, but the CTC isn't the "go to" organization when it comes to snowmobile trails, business investment, ferry schedules, or even as the lead organization looking at a national tourism strategy (although certainly the CTC would be a player). The Crown corporation is, however, a marketing organization, and is definitely charged with new initiatives to get consumers interested again in visiting our country. We have just invested heavily in developing a new brand that will do exactly that, and the interview in this issue with CTC President and CEO Michele McKenzie elaborates on how the CTC will re-structure its operations to do this in the most efficient and successful way possible.

Canada's national tourism industry advocacy organization is currently going through a process to help ensure there is clarity about its own mandate and services. While the Tourism Industry Association of Canada may be mandated – and pleased – to advocate on behalf of industry for more – and better – marketing, one can rest assured it is *not* a marketing organization, although some of its provincial counterparts have smudged that line in years past.

The plethora of tasks and organizations operating with Canada's tourism industry is indeed bewildering. Staying on top of it all, and knowing to whom to turn, is an industry imperative. At *TOURISM*, we promise to do all we can to help! **7**



JULY/AUGUST 2005,VOLUME 9, ISSUE 4



ON THE COVER:

Louise Bourgeois' *Maman*, a giant bronze spider carrying a sac of marble eggs under her belly, is a striking new addition to the National Gallery of Canada. The last in a series of six, the 30-foot tall (9.25m) creation was installed in the Gallery Plaza earlier this spring.

Photo ©Stéphane Gruber

To the Editor

Publisher's Note

Letters may be edited for length and content.
For complete texts visit *TOURISM* Online at www.canadatourism.com.

Mixed messages?

I just finished reading the May/June Issue of TOURISM and would like to point out a troubling mixed message from the Research sections on pages 4 and 5. In Scott Meis's Viewpoint article on page 4, he makes the followover the American market: "We don't need to wring our hands of the US market are return visitors who already know that large sections Canada they visit. Despite issues outside of the tourism sector which make and equity in this market, and it will continue to provide Canada a lot

Then, in the Outlook for 2005 article on page 5, the following statement regarding the US market is made: "... and obstacles will continue to appear on the horizon. In particular, wooing back the US traveller has proven to be a considerable challenge. The recently announced Western Hemisphere Travel Initiative (WHTI) appears to add another hurdle to this task. While in stages, and will not take full effect until December 31, 2007, visitor confusion could curtail cross-border travel as early as this year."

These are clearly two totally opposite messages being sent out by the research department of the CTC – the latter of which falling more in-line with the impact we have experienced to our US visitation.

Michael Morrow Manager, passenger marketing Algoma Central Railway/CN

Contradictions normal in a complex business: A response from CTC Research

Thank you for commenting on my Research Viewpoint article, "2004 and 2005: Good and getting better" on page 4 of the May/June issue of TOURISM. Thank you also for your further reading of the article on page 5 of the same issue on the related subject of the outlook for 2005 – based on the most recent Tourism Intelligence Bulletin – and noting that there on the most recent Tourism Intelligence Presented in the two articles.

On closely reading the identified sections of the two articles, I agree the messages imbedded in the two sections in question are contradictory! That said, however, I do not find that observation surprising or particularly problematic. Firstly, two different authors wrote the two articles, larly problematic from two different perspectives. One focuses at two different times and from two different perspectives overall on the positive recent progress and the fundamental relative overall strength of the marketplace. The other gives more attention to the specific challenges ahead, particularly in the US market.

Secondly, tourism is a highly complex and many faceted phenomenon, and contradictory findings and indicators are the norm rather than the and contradictory findings and indicators are the norm rather than the exception. And, the editorial policy of TOURISM Publications recognizes exception. And, the editorial policy of prints articles presenting a wide this fact and accordingly accepts and prints articles presenting a wide this fact and accordingly accepts and prints articles in made by the editors variety of perspectives on the industry. No attempt is made by the editors to ensure complete consistency in the content and messages being presented between different articles in the Research section or the magazine sented between different articles in the Research section or the magazine

Thank you again for your comments. We particularly appreciate your careful attention to, and thoughtful reading of, the two articles.

Scott M. Meis Executive Director, Research Canadian Tourism Commission

News & Opinion July I August 2005 CanadaTourism.com

continued from page 1

"Everything is firing on all cylinders, and that keeps us all interested and engaged, to say the least," says McKenzie. "The move to Vancouver, of course, is on everyone's mind internally as we grapple with the changes brought by that alone," she continues. "However, I want to emphasize that we haven't changed a single thing when it comes to our business objectives. Our targets for 2005 remain the same. The industry needs us to stay focused, following through with the strategy and agenda."

Marketing organizations of any sort tend to go through cycles, restructuring how they do business to meet marketplace realities, address strategic initiatives, and capitalize on organizational strengths. For example, business development may become a function of sales at one point in the cycle, then marketing in another. Under a variety of scenarios, sales and marketing functions may be led separately, or combined. "When I first joined the CTC, I made a conscious decision not to change those things precipitously," says McKenzie, "because I really wanted to understand fully how the organization worked. Now that I have had a good opportunity to see how the CTC works, and what our capacities and weaknesses are, I have made a decision to make a few structural changes on the sales and marketing side."

Brand implementation is the key

"I could see there would be an ongoing requirement to effectively implement the brand as a *horizontal* concept or idea," she continues. "Because we are structured by geographic markets, we need to support our brand effectively in all our communications and with all markets and partners, and because

of this I have made the decision to maintain a role for brand implementation at a senior level, a role that will be filled by Jean B. Chrétien to continue the work he has begun across the country. All our VPs will report to me as CEO, of course, but there will be indirect reporting to Jean as our senior vice-president for brand implementation, to ensure we are working as a team on brand, making sure it is fully integrated in our work."

Marketing established separate from sales

Having set brand implementation as the strategic priority, McKenzie has chosen to divide sales and marketing into two separate tracks. "We could have kept them together as one position, perhaps, but what I saw was that we have program directors here in Ottawa as well as the in-market directors. That leaves too many people

"I want the CTC to be known as a strong developer of people."

to report in through one vicepresident; I felt the sales force the international staff — would not be able to receive the support they need," she explains.

The VP of marketing will deal with strategy and work with the headoffice based directors, while the VP of sales will be working with the in-market directors. "Obviously we are not in the direct-to-consumer selling business, except very occasionally in some specific lines (like MC&IT) where we get much closer to actually closing the sale," emphasizes McKenzie. "What I have had to address with these changes is the fact there are some folks who are adverse to us using the word 'sales'. I want everyone to know that, even though we refer to our "sales force", they are not a

sales force in the same way that a hotel – for example – uses the term. While we are indeed performing a selling function, it is really limited in fact to media and public relations, trade development, and so forth. We have to embody a "selling attitude" in order to perform these functions well; after all, if all our efforts are not selling Canada effectively in the marketplace, ultimately we will fail."

The VP of sales will be responsible for the global sales force and will work hand in hand with the VP of marketing to execute the Crown corporation's strategy. "Some have asked me if perhaps this approach might fragment our work more than solidify it, as perhaps they have observed in the past when the key people did not get along well," she observes. "I answer that it is my responsibility to fill these key positions with people who will get along. We all need to think corporately and work corporately; that's a recruitment challenge, to find people who are really good team players and who understand how they fit within a corporation. We'll be able to sort that out."

Changes forthcoming in research and product development

Under the past structure, both the macro and market research functions have been housed under corporate affairs. Restructuring will see market research fall under the VP of marketing, while the macro research function will fall under a VP of planning and research. "Planning is a strong part of what we do," says McKenzie, "and it links well with macro-economic research, a place where the CTC has some special strengths."

She elaborates further: "We are going to be placing much higher demands on market research as we move forward with our strategy. I believe, as a marketer, you need to have control over market research in order to be accountable for your work; spreading the functions appropriately through the organization should give us more capacity."

What has been termed product development in the past (now referred to as product innovation and enhancement) will be housed as part of the marketing group, reflecting a "research and development" model common in many industries.



Michele McKenzie at the opening of the CTC office in China.

Corporate affairs

"As a Crown corporation, we have a lot of requirements just to meet *government* requirements," says McKenzie, "along with all we have to do to meet our *business* requirements. These are broad undertakings, and the VP of corporate affairs, who is now responsible for human resources, will have a busy job."

Much of the restructuring process and success hinges on human resources. Competitions for senior positions reach outside the CTC and into the broader marketplace. "My philosophy is that – for these positions – we should be hiring the best person in the world for the specific job we expect them to do," says McKenzie.

Having said that, the CTC president is obviously proud of the corporation's current pool of talent: "I want the CTC to be known as a strong developer of people. It is my hope — my goal — that people who are working for us are being developed and mentored in such a way that they are able to compete successfully with *anyone* for an advanced job at the CTC, or anywhere else they choose to advance their career."

A national-level firm of executive search professionals, Ray and Berndtson, has been selected to identify potential candidates for the following positions at the CTC: vice-president, planning and research; vice-president, sales; and vice-president, marketing.

Jean B. Chrétien serves as senior VP for brand implementation; senior VP for corporate affairs is Chantal Péan, and Karin Zabel is the corporation's CFO and VP of finance. Tom Penney will provide support as VP of special initiatives. **7**

#C50509E	Traveller Accommodation Survey – A Report for the Year 2003	
#C50507E	Domestic, U.S. and Overseas Travel to Canada – Short-term Industry Outlook – Third Quarter 2005	
#C50442E	Market Intelligence Profile of China	
#C50515E	Canadian Travel Arrangement Services Survey – Year 2003 Report	
#C50496E	Overnight Spa Tourists – A Special Analysis of the Travel Activiand Motivation Survey (TAMS)	
To order:	distribution@ctc-cct.ca	

Separating apples from oranges

Research Viewpoint



Lately in research circles we have been debating how our reports are treated. To a certain extent an article sparked the discussion earlier this year (Travel intentions v. actual travel by Claude Péloquin, TOURISM, March/April, 2005). But it also plays to some swirling concerns we have had for a couple of years in research, and points to some ways we can improve.

Especially for a sector like tourism, whose economic importance is growing in Canada and around the world, there is always a danger that researchers' work will be taken out of context. We are adults, and we know this. Some people even have axes to grind and don't hesitate to take research findings and separate them from their original context – and from the internal logic of the reports where they are found – or make links between different reports and data sets, to serve their own purposes.

We should all bear a few things in mind. First, we must repeat the schoolteacher injunction not to compare apples and oranges. If someone is comparing travel intentions versus forecasts of actual travel, it is natural they will find a lot of discrepancy, and no real pattern between the two.

Intention surveys are simply indicators, not forecasts. Forecasts are something else. Travel forecasts tend to deal with future total consumption in a broad category of activity, such as total trips or total revenue spent in a market or at a destination., and tend to be based on known relationships between these aggregate numbers and certain macroeconomic and social conditions (the unemployment rate, overall GDP growth, etc).

On the other hand, intention surveys are simply indicators of consumer's future travel purchase intentions, at a given point in time, for particular classes of products. Intention surveys tend to be concerned with specific trips and experiences, as thought of in the shifting mood within the macro-economic context. In the jargon of researchers, indicators and forecasts are two different technical instruments.

Those treating research information need to be careful how they build arguments, or they risk looking silly. Journalists and others dealing with research reports need to pay attention to sources, foundation, methodology, and logic. One indicator of solid research is whether or not it is transparent about the methodology used. Because a large part of the readership for our research is made up of professionals in the field, we always include paragraphs explaining how a survey or analysis was done.

In the age of information and our hurry-up world, people want data faster. Solid research findings, though, inevitably take a bit of time. That is partly because we are working with a loosely-linked information system (of which Canadian Tourism Commission research is at the centre) and partly because of the nature of the tourism sector (which is made up of many different economic activities like transportation, lodging, entertainment, and so on). Sorting out what is happening in this sector, quickly, is an ongoing challenge.

There are ways we can improve. We must clearly make distinction between the apples and oranges, between the different types of research work and their intended purposes. We can, and are, looking at ways to speed up the production of research findings. Also, there is nothing stopping us from reducing and explaining the jargon of research and bringing more context to each report when it is published.

Research

To some extent this has already begun. 7

A monthly guide to travel & tourism data

Tourism Activity	Reference Period	Quantity	% Change fron previous year
Tourists to Canada			
From the U.S Total	January-May 2005	4,051,117	-2.9
By Auto	January-May 2005	2,426,558	-6.7
By Non-auto	January-May 2005	1,624,559	3.2
From Overseas - Total	January-May 2005	1,261,644	9.8
United Kingdom	January-May 2005	270,158	10.3
Japan	January-May 2005	130,862	12.0
France	January-May 2005	97,485	12.3
Germany	January-May 2005	83,534	12.9
China	January-May 2005	32,525	8.0
Australia	January-May 2005	68,012	14.4
Mexico	January-May 2005	53,583	13.4
Korea (South)	January-May 2005	57,129	11.9
Outbound Canadian Tourists			
To the U.S Total	January-May 2005	5,936,715	8.4
By Auto	January-May 2005	3,069,363	5.6
By Non-Auto	January-May 2005	2,867,352	11.6
To Overseas - Total	January-May 2005	3,173,528	10.3
Employment in Tourism			
Total Activities	First Quarter, 2005	594,800	1.5
Accommodation	First Quarter, 2005	150,800	1.2
Food and Beverage	First Quarter, 2005	141,900	1.1
Transportation	First Quarter, 2005	81,400	1.7
Selected Economic Indicator	S		
Personal Disposable Income per person (\$)	First Quarter, 2005	23,692	0.2
GDP at market prices (current, \$ billion)	First Quarter, 2005	1,331.3	1.0
GDP chained (1997, \$ billion)	First Quarter, 2005	1,143.8	0.6
CPI (1992=100)	May 2005	126.6	1.6
Exchange Rates (in Cdn\$)			
American dollar	June 2005	1.2402	-8.6
British pound	June 2005	2.2543	-9.2
Japanese yen	June 2005	0.0114	-8.1
EURO	June 2005	1.5076	-8.6

Note: All tourist estimates deal with trips of one or more nights; All data on this table is not seasonally adjusted.

US travel to Canada declines

For the second consecutive month, international travel to Canada declined in May 2005 by 2.7%, reaching just over 1.5 million trips, the second lowest level recorded over the past decade. The lowest level was witnessed in 2003 (1.3 million trips). The volume of overnight travel from the US to Canada decreased 5.1% to 1.2 million trips. Auto travel decreased 8.2%, while non-auto travel was flat (0.3%).

- Overnight trip volumes from overseas destinations increased 5.1% compared to May 2004, reaching almost 386,000 trips. Almost all overseas regions posted increases when compared with the same month last year: South America (19.2%), Europe (6.2%), Asia-Pacific (3.2%) and North America other than the U.S. (3.0%) compared to May of last year.
- During May 2005, Canadian overnight outbound travel recorded a 9.8% increase compared to May 2004, reaching 1.8 million trips. Within the last decade, May 2005 was the highest volume of Canadian outbound trips, while May 2003 was the lowest volume (1.3 million trips).

Source: Seasonally unadjusted figures from the International Travel Survey, Statistics Canada

Travel survey: quick facts from 2004

According to Statistics Canada's latest release on domestic travel, Canadians made 21.6 million inter-provincial trips in 2004, up 2.9% from the previous year. Within this category, the number of inter-provincial overnight trips rose 3.5% to 17.3 million trips in 2004 over the previous year.

Travel in Canada by Canadian residents increased 1.6% to 175.1 million trips in 2004 from the year before. However, the number of domestic trips taken in 2004 was 6.8% less than the highest annual level recorded in the last seven years (187.9 million trips in 2002).

Trips made by Canadians within their own province in 2004 reached 153.5 million, up 1.5% compared to 2003. At a closer look, the number of intra-provincial overnight trips rose 2.5% to some 71.4 million trips in 2004 compared to the year before.

In 2004, 88.7 million or 50.7% of all trips made in Canada by Canadians included nights away from home. For each overnight trip taken, Canadians stayed on average three nights away from home and spent \$265 per person.

A closer look at the overnight domestic travel figures reveals that the major purpose for travel was for pleasure in 2004, the same when compared to 2003. The number of overnight pleasure trips increased 1.8% to about 37.2 million trips in 2004 over the previous year. Meanwhile, the number of overnight visiting friends or relatives (VFR) trips increased 3.4% to some 34.7 million trips. Personal-purpose overnight travel reached about 7.6 million trips (up 2.0%). This was followed by almost 7.2 million trips made for business travel (up 7.8%). Finally, the number of overnight

trips for conventions (business and non-business) fell 3.4% to nearly 1.9 million trips in 2004 from the year before.

Of the 109.1 million nights spent in commercial establishments, more than half were in hotels/motels. Hunting and fishing lodges registered the largest gain (up 34.9%) in overnight stays, as Canadian spent 1.4 million nights in these establishments while travelling in Canada in 2004.

Spending on domestic travel reached \$29.7 billion in 2004, an increase of 4.4% from the previous year. However, when taking inflation into account, spending on domestic travel expenditures increased by 2.4% to \$26.2 billion (in 1997 dollars) during the same period.

All categories of expenditures were up, with increases ranging between 3.7% (clothing and other purchases) and 7.3% (recreation and entertainment). This gain in travel expenditures was sustained by both an increase in the volume of domestic travel and a rise in the prices of goods and services purchased by travellers (up 2.0%).

Fourth quarter 2004 results

The fourth quarter had a relatively small impact on the annual domestic travel results, representing 23% of all trips taken during 2004.

Spending on domestic travel reached \$7.1 billion in the fourth quarter, while the total number of overnight stays in all types of accommodation was 59.5 million nights.

This constitutes the last release of domestic travel estimates based on the Canadian Travel Survey. Since the beginning of 2005, a new survey called the Travel Survey of Residents of Canada (TSRC) began to measure domestic travel in Canada. Featuring several definitional changes and a new questionnaire, this new survey will provide estimates of domestic travel that are more in line with the international guidelines recommended by the United Nations. It is expected the first quarter 2005 results from the TSRC will be released at the end of 2005. 7

Room for optimism this summer: TIB

Key points from the Tourism Information Bulletin (TIB) for July 2005 show there is some room for optimism for the performance of the Canadian tourism industry this summer. There may, however, be some warning flags for the future in light of economic realities in our major markets. The Conference Board of Canada produces the TIB for the Canadian Tourism Commission; the bulletin is available in its entirety at www.canadatourism.com.

- Strengthening travel demand, which is still building towards more normal travel patterns, appears to be withstanding the steady increase in travel prices.
- The dramatic increase in domestic airfares that followed the demise of Jetsgo appears to have had little effect on slowing the growth of air travel within Canada.
- Hotel operators report stronger room revenues are allowing them to gain further ground in average daily rates and overall profitability.
- A recent survey by Pollara showed that gas prices dropped to second place as a travel

concern among Canadians, while personal finances moved up to become the main consideration. Canadian rubber tire travellers are adapting to higher fuel costs by adjusting their travel budgets, shortening their stays, or looking for better deals while travelling.

- The Travel Industry Association of America (TIA) summer forecast suggests US travellers are also looking for deals and ways to economize on their vacations, reducing average trip durations and average trip spending.
- A lingering concern for the Canadian travel industry is the recovery of the US travel market. Higher oil prices are expected to have a larger impact on the US economy and on American consumer confidence.
- Canadian businesses appear to be keeping a tight rein on travel expenses, and are still looking for the lowest-priced option when purchasing travel.

Passport issue on the horizon

Since fewer Americans than Canadians hold passports, it stands to reason that any new passport regulations associated with the Western Hemisphere Travel Initiative (WHTI) will be felt more strongly in Canada than in the US. While the impact on US visits to Canada is expected to be relatively light this year, by 2008 (the year cross-border auto travellers could require a passport), US visits could be constrained by over 12%.

One silver lining is the lower anticipated impact of the WHTI on Canada's highest-yield US market — long-haul leisure and business air travellers — where impact is expected to be considerably less because their rate of passport possession is higher than that of the overall travelling population.

A brief economic update

- Real GDP growth in North America is expected to slow to 3.4% in 2005 (down from the 4.3% gain in 2004) and ease even further to 3.3% in 2006.
- High inflation and high unemployment continue to beleaguer the Mexican economy.
- Real GDP in Europe is forecast to grow by only 1.8% this year before climbing to 2% in 2006.

• Economic growth in the Asia Pacific region is expected to slow to 2.8% this year, down from 4.2% in 2004. However, China's economy continues to be on track for another year of exceptional performance; exports will continue to grow in the 20-30% range in 2005.

Opportunities for Canada

- A new TIA report on leisure travel planning revealed price is not always the top factor in US leisure travel decisions. The study suggests leisure travellers will choose the destination first and decide on the trip duration, then establish a budget. This implies that travel destinations and suppliers will have an advantage if they are able to capture a traveller's interest before the price is mentioned.
- Canada's national parks could be an appealing summer destination for US travellers, based on recent media stories. National parks are the top "dream destination" among American travellers, according to the YPBR 2005 National Leisure Travel Monitor, chosen by 66% of US leisure travellers polled. 7

CanadaTourism.com

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Research

Branding a destination

Destination Halifax is one of a number of destination marketing organizations which have undergone a re-branding exercise over the last couple of years. So has the Province of Nova Scotia's tourism department and of course, so has the Canadian Tourism Commission (CTC). TOURISM spoke with Pat Lyall, Destination Halifax CEO, about how the process was conducted and how the result will fit with both the new provincial brand and the Canada Brand.

TOURISM: What prompted the decision made to create a new brand for Halifax?

Lyall: It started out to be a brand for Halifax as a tourism destination, but as it grew and got some legs under it, it was soon regarded as a way to brand the greater Halifax area, not just for tourism but also as a great place to visit, to live, to grow, to raise a family. As we moved through the process it became apparent that it is individual personal values which make a destination different, and make it stand out against the other destinations.

It was interesting because now, after having sat in on some of Jean's (Jean B. Chrétien, senior VP of marketing and sales at the CTC) sessions on what it is that makes a difference when you're talking about Canada, so many of the same sentiments surfaced, the ones about how a destination makes you feel.

TOURISM: How did the process work?

Lyall: For starters, Destination Halifax is a very new DMO (since 2002) and as one of the commitments we made in the first year of operation, we said we would

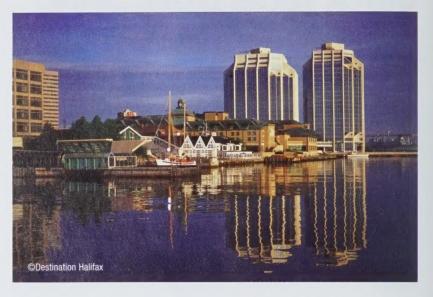


champion a growth strategy for Halifax. As part and parcel of this strategy we needed a "feel"... we needed to be able to define what is Halifax. Once we started going through the process it became clear that it's not about what is Halifax so much, but what is the Halifax experience. It was only then that we got a grip on this little monster (the process) and began to really engage people in looking at the Halifax experience, using focus groups as a tool.

We didn't start with the tourism industry, but with our residents, because we saw (and were told again and again) that it's the people who make a difference friendly, honest and authentic people. We went to them and asked: "What is it you are doing? Why are you so friendly? Is it a conscious decision to behave in a certain manner for visitors, or is it as genuine and authentic as it seems?

Their replies were things like "It's the right thing to do," and "It makes me feel good." It is what customers are seeing and experiencing, and we needed to find a way to convey that feeling.

This is critical from a marketing point of view; we can take the messages out to the market but it is the service providers who deliver on the marketing promise once visitors are here. When we tell our potential visitors this is what sets us apart, we need to know it is



Halifax: the city that touches your soul.

ingrained in our culture, from front line staff to behind the scenes. Not only are customers expecting it, but we are actively promising it. The industry and our stakeholders - at every level have a key role in growing the destination.

TOURISM: *It seems that everyone is* undertaking a branding exercise these days. What considerations did you take so that the Halifax brand can be worked into the Nova Scotia brand, and now the national brand?

Lyall: Well, I've only seen references to the new national brand but from what I have seen, the two couldn't work any better together, we couldn't be in closer sync.

I like to think it's a result of implementing the right strategy and process: talking to ourselves – our residents, our people and our industry. The reason we ended up in such similar places is that we went through the right processes and came up with the right answers.

TOURISM: How do you implement the provincial and Halifax brands when you are working with the province in the marketplace?

Lyall: We integrate virtually everything we do. For example, we don't change our positioning or even our ads when we approach the convention market, because (outside of the actual event) every delegate to a conference is still an individual traveller and the same things are still important to them. (Of course, conference planners must address the infrastructure elements, and that is another process.)

On the leisure side, it depends on the target market. Take Boston, for example. By virtue of proximity we do put a lot of emphasis on the north-eastern US, but the longstanding relationship between Boston and Nova Scotia has been so strong for so many years, we would be crazy to go in with anything other than a Nova Scotia brand.

In the eyes of the consumer, Halifax and the province are interchangeable. Rarely do we ever hear of an itinerary (be it for group or individual travel to the Maritimes) that doesn't wind up in Halifax for a night or two. We know we're going to get a piece of that simply because of our position as a transportation hub for eastern Canada, even if people are driving.

The customer does not identify the borders of the city; they are coming for the whole package and the more we can present the whole package, the better. We try to present an urban destination as part of the greater Nova Scotia offering. So, no, we haven't had any challenges in working the two brands together.

The province unveiled its brand position a few months ago, and the platform for it is Come to life while our's is The city that touches your soul. You could basically run the two together – Come to life in the city that touches your soul.

Remember, it's not the tagline that's important, but the sentiment we are trying to communicate. When you look at the city, the province and now the country; I believe we truly are all "in sync."

TOURISM: Thank-you 7

Toronto tourism: healthy again!

As the "face" of the SARS crisis in Canada, Toronto has struggled for the last few years to quell lingering doubts about the health of the city's tourism industry. The decline was most distinct in the international markets but domestic travellers also shied away from the metropolis following the isolated outbreak of the disease in the early summer of 2002. Since then a great deal of effort — and a great deal of money — has been spent in re-energizing the public's interest in one of Canada's most energetic cities.

"It's no secret that Toronto has experienced a significant decline in visitors. The big story is that the four-year decline in visitor volume has reversed and is now trending firmly in the right direction," said Bruce MacMillan, president and CEO of the Toronto Convention and Visitors Bureau (TCVB or Tourism

Toronto) at the organization's recent 80th Annual General Meeting. "The industry has rallied together with its partners in a collective effort to overcome the challenges of 9/11 and SARS."

In 2004, the city welcomed 18 million visitors resulting in \$3.9 billion in spending. The TCVB, in partnership with the Ontario Tourism Marketing Partnership Corporation, marketed the city to a number of overseas regions in 2004 – trade shows in Japan, new tour business in Korea and China, and a new non-stop air service from Seoul and Beijing to Toronto – and the results are now being felt. In the first 3 months of 2005:

- overseas travel into Toronto rose 26%,
- Japanese visitors skyrocketed by 157%,

- South Korean visitor numbers rose 46%, and
- Chinese arrivals jumped 33%.

The city has taken its first no-so-tentative steps with a mass-marketing campaign to the UK. Teaming up with the province, the TCVB launched a 16-page *Sunday London Times* editorial insertion, a radio campaign, a complementary retail print ad and – for the first time ever – a television spot to sell the virtues of the city. The result? Tour operators are reporting an 8-12% increase in bookings for Q1 of 2005.

A good deal of the recent success can be attributed to funds generated through the destination-marketing fee (DMF) implemented by the Greater Toronto Hotel Association in 2004. The fee makes a big difference to available marketing funds and the

city has been able to turn this into strong results. The chair of Tourism Toronto, Lyle Hall, has gone on record: "Simply put, the sustainable funding generated by the DMF is responsible for this turnaround and is critical to the long term success of our industry."

With funds generated by the DMF, the TCVB was able to research, build and launch a new brand in June 2005 - a process years in the making. The Bureau has worked diligently on building a Destination Animation Marketing Investment Program to attract and promote cultural exhibitions and entertainment. Most recently, the city announced that the Lord of the Rings production will be residing in Toronto; as of June 2, the TCVB estimates more than 40% of general ticket sales for the production have come from outside of the Toronto area, with half from the US, and others from as far away as Japan and the UK. 7

Bruce MacMillan on branding

A creative approach to brand development has allowed Tourism Toronto (in partnership with the City of Toronto, the province and the Toronto City Summit Alliance) to mastermind Canada's newest destination brand — Toronto unlimited. Bruce MacMillan is the president and CEO of Tourism Toronto, and had this to say on the topic during an interview published in TOURISM Online (August 2005):

Why a new brand? The marketplace and the community have both changed. We were using a position and a promise that were probably developed in the mid-nineties, and right now, in a marketplace crowded with different messages, you have to go about a very thoughtful process on how to develop your brand in order for it to succeed. We felt we had to do this the *right* way. We needed to do a better job of marrying the brand promise to the marketplace. And the new brand, **Toronto unlimited**, is not geared solely for tourism but for economic development and investment in the city of Toronto as well.

How did the process work? We had a comprehensive process involving stakeholders from the tourism industry but we also involved people in the community in general. We launched a campaign called *WeAreToronto.ca*, and to raise the profile of the campaign we prepared seven questions that were asked in the community. We got back 4500 responses! People wrote in; we also had street teams asking people to give their responses. We got real grassroots input from people in the community, who told us what they thought made Toronto remarkable.

(To make the decision) we had a number of partners — including the province, the city, and the private sector — as well as a working group and a community advisory group all of whom weighed into this. Predictably there is a lot of passion around it; you have to balance out the emotional side with the pragmatic side. What we ended up with, and what everyone agreed on, is that passion remains... the worst thing a brand can be is irrelevant.

How do you ensure your brand works with your partners' brands? We had extensive ongoing dialogue. We shared research with the Canada Brand team, and had input from a member of the Canadian Tourism

Commission development team. We were always in conversation to understand where each party was coming from; that was an important part of the process. In the past it had been difficult to find a place for Toronto in a brand that was based around the outdoors and the magnificence of our country. That's not Toronto, that's not who we are, so we had to make sure that within (the Canada Brand), Toronto could have a place.

How has it been accepted by the industry? I think the industry here has accepted it fairly well. They're still learning about it, and we encourage them to explore this a little more. You have to see beyond the logo and the tagline.



Where do you go from here? Bringing the brand to life is the stage we are in right now. We're advertising aggressively in New York, Washington and Chicago because that is who we've intended the brand for. We did a lot of research to see the synthesis, and to see how our brand sinks in with the consumers. What our brand offers — our promise — was measured against who would best relate to it and get value from the promise, and it turned out to be these major urban centres. We're going in there aggressively and will probably be doing some promotional events, certainly in New York City.

Toronto's branding development has been well documented on torontounlimited.ca. The steps that Tourism Toronto followed are explained in detail, and should be required reading for any tourism destination or business considering a branding exercise. The website contains supporting video and visuals, including the five "signatures" for cuisine, music, fine arts, cinema and festivals. 7

CanadaTourism.com

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Marketing & Sales

7

Building the budget

In an interview with Tourism Edmonton's Ken Fiske, vicepresident, tourism, events and motion pictures, TOURISM learned there is growing support across the country for room taxes and marketing levies as a method of generating revenue for tourism marketing. Fiske, who is chair of the Canadian Association of Convention and Visitors Bureaux, told TOURISM that destinationmarketing organizations (DMOs) throughout the US have been doing this for years. "The dominant system in the US for some 80% of municipalities has been some sort of consumer-based taxation structure, almost always hotel taxes," says Fiske.

Edmonton and Calgary have recently implemented 1% voluntary hotel room levies for destination marketing, similar to those in place in Ottawa and Toronto. This is a different approach from that taken in Quebec and BC, where enabling legislation is in place to collect a room tax dedicated to destination marketing at the municipal level.

Fiske says the Alberta government is reluctant to implement any new taxation structures. "So the thinking goes," he explains, "if we can't get it through taxation we'll rally the industry together and do it on a voluntary basis." For many years Alberta had a 5% hotel tax;

revenue collected went directly to general revenue, but the provincial tourism-marketing budget – although now at \$25 million – has been as low as \$10 million. In 2005, the province "eliminated" the 5% hotel tax and implemented a 4% marketing levy, dedicated to the province's tourism budget. Fiske says Edmonton hoteliers got together and decided to implement a 1% municipally-based marketing fee, on a voluntary basis, similar to the practice in Ottawa and Toronto.

Fiske expects other municipalities in his province will follow suit. "I think we will see more and more of this in municipalities across the country. I understand both Regina and Saskatoon are looking at it." He reports strong support from the industry in his city, "...from major players down to the smaller hotels." When asked how attractions and events participate in - and benefit from – this accommodation-based funding, Fiske said marketing plans are still in development. "Certainly the participating hotels recognize this is all about destination awareness, so attractions and events – the reasons people come to a city, including for meetings and conventions – are part of that," says Fiske. "We hope to be able to use these new funds to leverage marketing, especially for events whose budgets are so strapped. The key to success will be to package, very aggressively."

"I think we are all on a learning curve," says Fiske. "We still need to learn how to build and improve marketing partnerships and measure effectiveness." 7

Creating a DMO

As the saying goes, there is strength in numbers. The old adage rings true with two tourism-marketing associations in PEI set to launch the birth of a new destination marketing organization (DMO) - Tourism Charlottetown.

Meetings PEI, and Charlottetown's Capital Commission, will be spearheading the project along with the Hotel and Motel Association of PEI. The limited geography and population of Canada's smallest province meant that the vast majority of meeting and convention business was already centered on the capital city; bringing the city DMO in line with a provincewide meeting and convention marketer was a natural fit.

"We needed to be more targeted. Most capital cities have their own dedicated marketing organizations," declared Richard Stinson of Meetings PEI. "The Capital Commission was doing a lot of the tourism marketing, and we were working with the meetings and convention business. As 70% of the meetings end up in Charlottetown anyway, it seemed like we both had something to gain."

Tourism Charlottetown Inc. (the organization's working title) will be a completely new entity; both the Capital Commission and Meetings PEI will cease operations. As the two organizations were both funded through municipal and provincial sources with additional assistance from ACOA (Atlantic Canada Opportunities Agency), combining their budgets was a relatively simple task; Stinson reports it was actually welcomed by the province as both organizations are now "under one roof, so to speak."

"The island isn't all that big, and to isolate our interest to just one area wouldn't be a wise decision." Stinson explains the individual regions do manage their own destination marketing, citing Cavendish as an example, and have been handling their tourist campaigns successfully for years. Details are still being ironed out on the possibility of future partnerships with the regional industry and association partners.

Recognizing today's business travellers want to experience more than just the four walls of their hotel, Tourism Charlottetown will be offering (in conjunction with partners province-wide) a "Seaside Retreats" product. "We're still working on the details but it's for those who may come to the Island for a conference but want to see and do everything that PEI has to offer. We both have the same goal and that is to bring more visitors to Charlottetown and to Prince Edward Island.'

Marketing & Sales

This initiative has been in the works for the last two or three years but only recently has the project come to life. To date, all the partners are onside, both boards have agreed to the amalgamation, and the necessary board motions have passed. A transition board has been established and is currently operational with an expected launch in January 2006. High on the organization's "to do" list is attracting more cruise ship and RV travellers, and building on Charlottetown's success in the shoulder seasons. 7

Untangle the Web | 0001000100010

Customers are searching for you - All hail Google!

SITUATION: It's mid-summer and those last-minute bookings did not come through. Did you spend enough on advertising? Did you advertise in the right place? Where can you find customers right now?

SOLUTION: Leverage the power of search engines and purchase keyword advertising. With "Google Adwords", you can promote your business' website to millions of potential customers worldwide within

DETAILS: Identify words that customers are using to find your business on the web (i.e. "Toronto Hotel"), and then "purchase" these words from Google through their "Adwords" program. Now, whenever a search is done for these keywords, your business appears in the "paid" search results. You only pay when someone clicks on your ad! "Pay-per-click" advertising is the fastest growing advertising in the world and it is a great way to attain those much-needed customers during the busy season (when one has little time for extensive marketing projects).

TIP: Make sure your Google-ad matches the page where you are sending customers on your website (i.e. if the ad says "Book Toronto Hotel – From \$159", make sure your website includes "\$159").

Jeffrey Johnston is a sales and marketing specialist with Travel.bc.ca, a division of Navigata Communications Ltd. Navigata's web team specializes in website development for the travel sector.

Information: jeffrey@travel.bc.ca 7



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around the world." In addition, the gallery is asked, "to further knowledge, understanding, and enjoyment of art in general among all Canadians," which allows the Gallery to host major exhibitions of international artists.

Unfortunately, keeping admission costs manageable while operating in a restrained economic climate means little is left over for marketing exhibitions — even the "blockbusters". Admission to the new Canadian War Museum and the Canadian Museum of Civilization is \$10. At the National Gallery of Canada admission is a mere \$6 for the permanent collection (with an extra \$5 for special

of income to the MNBA, the surrounding business community rakes in \$23. "With great risk can come great reward," he adds. "We'd love to be in more international markets," says Rafferty "but we have to work where we can get the most return on our money and the investment of our partners." In fact, all the museums or galleries in this article rely on partnerships with the tourism industry to stretch the strength of their campaigns.

In undertaking any marketing initiative, a gallery or museum must first work to recognize where the greatest return will be, based on the content of the exhibition. This summer the MNBA has unveiled a major exhibit on the work of Rodin and Camille Claudel.

"...while those iconic images of moose, Mounties and mountains do indeed exist for Canada, we have to sell an image of Canada being much broader than that. Our culture is important and distinctive; we are the most advanced multi-cultural society in the world, and we have a lot to offer. The stories are to be found in our museums and galleries!"

John McAvity, executive director, Canadian Museums Association, from an interview in *TOURISM* Online, July 2005.

exhibits), and Musée national des beaux-arts du Québec offers admission to its permanent collection for free, while special exhibitions are \$15.

Compare this against the cost of many "destination" galleries and museums and the added value of an art vacation in Canada is obvious. Admission to the Louvre: 13 ∉; to the Van Gogh Museum, 13.50 ∉; or the State Hermitage Museum, \$16 USD, all of which (at the current exchange rate) are roughly \$20 CAN. Perhaps this isn't a huge difference against the thousands spent on a family vacation but for a tour operator or group the additional cost quickly adds up.

Making it work better

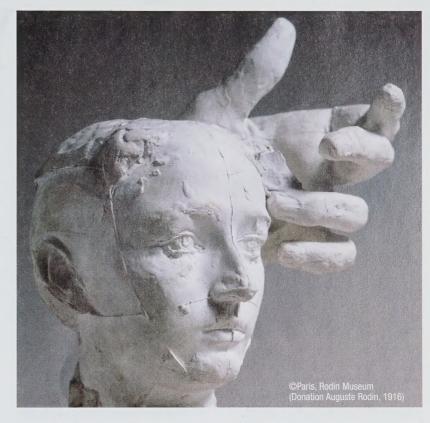
So how can the tourism industry and the arts and culture communities work together to better present Canada's galleries and museums to the world, and, does the potential exist to grow this market?

Porter explains that successful exhibitions come at a high risk. And, he notes that for every dollar

This exhibit will not be shown in Ontario, so the museum will be working closely with partners to market to the Ontario "rubber-tire" traveller, explains Porter. France has an exclusive Rodin gallery, so attempts to sell this product in that market would be a rather futile exercise; however, Inuit art, as a uniquely Canadian product, has proven to be of great interest in Europe and therefore could be matched with partners who would work in that specific market. Marketing each exhibit represents a unique challenge.

There have been some cases where the arts communities in Canada have banded together.

"We have in the past worked with galleries in Toronto, Montréal, Québec and as far away as Victoria one year, to create newspaper or magazine spreads in some city markets like New York or Chicago. Budget constraints have us working with tourism partners now more than ever, in key target markets." adds Charette.



Planning takes time

Exhibitions are planned many years in advance, long before any involvement with the tourism industry. Some two years before the event itself, the pace picks up and details are finalized, brochures and publicity events are planned, and itineraries are booked. Working with the destination marketing organizations (Charette holds a seat on the Ottawa Tourism Marketing Committee), media activities are developed which afford coverage of both the facilities and the new exhibition, integrating other tourism products at the same time. Care must be taken not to cannibalize visitors from markets that may be hosting an exhibit later in the tour.

Assemblage: Mask of Camille Claudel and Left Hand of Pierre de Wissant Circa 1895 ?

Canada's cultural facilities are among the world's best. We have the talent, the infrastructure and the inspiration to create a product the world will seek out. Charette, Porter and Rafferty represent three distinct voices and three distinct institutions yet they speak with one voice - Canada is growing in prominence as a cultural destination, and the hard work and creativity of our cultural institutions will ensure this trend continues. Canada' tourism industry has a part to play as well, welcoming the world with open arms and telling the story of our best kept secret. 7

... only in the Online!

The clock is ticking! With roughly 1650 days remaining before the 2010 Olympics kick off in Vancouver, the Canadian tourism industry is busily preparing itself for the world's largest sporting and cultural event. Will the rest of Canada profit from BC's Olympic windfall? Look for the answer ... only in the Online! 7



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Risk management and insurance: A TWO-WAY STREET

At the root of the quarrel between the adventure tourism industry and insurers lies the issue of perceived and actual risk and the ability of an operator to minimize (or manage) it. Ross Cloutier is an assistant professor in the Adventure Programs Department at Thompson Rivers University, and a respected consultant on legal liability and risk management in the adventure tourism sector: "Despite the many who may think otherwise, the adventure sector is not being held to a higher legal standard than other areas. As these sports become more mainstream they are perceived to be less risky simply because they're more common," explains Cloutier. "There is a perception that once an activity becomes 'tourism' then it is safe, which may or may not be true. However, given appropriate risk management standards, outdoor adventure operations may be no more risky to insure than other sectors."

Theoretically, as outdoor activity risk management becomes more advanced, the cost of insuring these activities should decrease; the safer an activity is perceived to be by

those insuring it, the less costly it should be for the operator. Risk-management strategies should help operators reduce actual risk as well as demonstrate to an insurer the business' will – and ability – to reduce the number and size of claims.

Risk management has been practiced in the adventure industry for years (in many cases it's largely common sense) but over the last few years it has been refined and is becoming more sophisticated. More than ever, risk management can make or break an operation, making the difference between staying in business and closing up shop.

"Risk management is many things, in many disciplines, and it does get applied outside of the adventure industry. The advice you used to hear in this business was "take out insurance" but in recent times that has not been a sole solution. I would guess that as much as 50% of the adventure sector is operating without insurance at this point," says Cloutier.

"The insurers needed to see a higher rate of return, and the operators need to see recognition of their efforts reflected in their premiums. Our position is that the adventure sector is no more risky than any other sector to insure, and so we're working to demonstrate this," Cloutier continues. "Insurers can work out their own premiums, provided they understand the actual risk and the processes businesses have in place to manage it."

In order to calculate risk, the operations and insurers must arrive at an established standard. Most commercially-available outdoor activities already have standards set by their licensing or regulatory bodies, but this may not be enough to satisfy the insurance underwriters.

"Current standards tend to fall along the lines of 'what is reasonable? What is everyone else doing?' but the fact remains that the insurers are the ones who have to take on the risk and so they have every right to say, 'this is the standard we require.' If operators fail to meet that standard they should expect to pay more for insurance, or not be able to secure it at all," he warns. "Or, of course, if they exceed it they should receive premium deductions."

"The days of tiny premiums are over, and they won't be coming back for quite a while," argues Cloutier. "The adventure industry had been paying a reduced amount for many years, underpaying even, but those days are over. The markets will fluctuate, and insurance premiums with them, but we're not going to see pre-2000 premiums again for a long time. If operators want to see a reduction in their premiums they will have to work to show why." This is the role that risk-management can play in your organization, and in this insurance climate it becomes vital to utilize all the tools in your toolbox to do so.

In closing, Cloutier emphasizes the need to build understanding between operators and insurers. "Many adventure operators complain about insurer's ignorance of the adventure industry, but in their defence, very few adventure operators have taken the time to educate themselves on the demands of the insurance industry. There are obvious benefits for both sides, and the industry can do itself a great service by fostering a relationship with the insurers. It must go both ways."

CanadaTourism.com

Better deal for water-based adventure companies

Hoped-for changes are on their way for adventure-tourism operators involved in boating and marine activities. The *Marine Liability Act* (MLA) was introduced in August 2001 and immediately created an insurance nightmare for the adventure industry.

Under the MLA rafts, canoes, kayaks and small whale-watching boats were classified in the same "craft" category as ferries or commercial vessels, forcing tourism operations to carry an inordinately large amount of liability coverage. In addition, the MLA invalidated the use of liability waivers, increasing the potential risk of an insurance claim.

Arguing that adventure-tourism operations should be excluded from the MLA because they are not "part of Canada's marine transportation sector", the tourism industry and other partners lobbied Transport Canada to commission a study on passenger vessels and the MLA. The results were published in 2003 and opened for public consultation and comment; of most interest to the adventure sector was the recommendation that "the proposed regulations on compulsory insurance would not apply to all "non-motorized and/or inflatable hull vessels."

"It looks good for us in the adventure industry, because there has been a lot of time and money thrown at this," proclaims a jubilant Stan Cook Jr., from the busy office of his sea-kayaking operation. "Changing the definition of a ship is certainly appropriate. It was never the intention of the Act to include things like rafts and kayaks, so it's great they have made that distinction."

The proposed changes to Category 4 of the MLA recognize that "passengers involved in white water rafting, kayaks and whale-watching zodiacs accept and expect a higher level of risk than passengers on ferries and other commercial vessels". The changes are supported by the fact that these activities the passengers are directly involved in the operation of the raft or kayak and therefore would be "assuming inherent risks that are involved in carrying out the activity".

If passed, the proposed changes essentially mean a return to pre-MLA conditions. Operators must still carry global liability insurance in the amount of \$1 million (versus the \$350,000 per person as indicated in the MLA) and once again the validity of waivers of liability will be re-instated. There are still some issues to be resolved regarding inspections and required provisions set out by *Special Purpose Vessel Regulations* (rafts) but without question these proposed changes are great news for those water-bound adventure operators across Canada.

"Getting back those waivers is a big thing. They're a key part of our risk management plan," says Cook, who explains that this year was the first in many that insurers have contacted him, whereas in past years his messages to them have tended to go unreturned. "With these changes and an increased knowledge of the industry (by insurers), good things should come of it all."

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The CTC and SMEs: an interview with Debbie Greening

Debbie Greening has served on the board of directors of the Canadian Tourism Commission (CTC) for six years, and has been an unwavering proponent for what she saw as the urgent need for the CTC to understand and work more effectively with the tourism business sector identified as small and medium-sized enterprises (SMEs). Greening chairs the CTC's Small and Mediumsized Enterprises Committee, and operates Land of the Loon Resort near Prince Albert National Park in Saskatchewan; when it comes to the issues faced by the vast majority of the nation's tourism businesses, Greening knows whereof she speaks:

TOURISM: How did this all start?

Greening: Six years ago, Judd Buchanan (CTC chair at the time) identified that SMEs are a very significant factor in the tourism industry – representing over 96% of that industry – and therefore the CTC has a role to play. It had not been determined at the time exactly what that role was or would be. It was, however, generally understood that while it was difficult for an organization like the CTC to work with such a broad segment of the industry, we had a responsibility to get the job done.

Judd had the wisdom to pull together a group of board members who were from the SME sector to form a committee to look at how to make the CTC more relevant to the small and medium players. The committee worked to produce a number of recommendations which it took to the board, and the structure of the industry as a whole became very clear, with - at one end of the scale – the destination marketing organizations (DMOs) and provincial and territorial marketing organizations (PMOs) that do work closely with SMEs, and the CTC itself at the other end of the scale. We needed to understand how this system – this structure – works, and how significant the structure can be to the CTC's ability to assist SMEs. There are strengths in these relationships, and there are weaknesses; we needed to come up with synergies that would strengthen the CTC's ability to really help the SMEs market their product to the world.

This spring, the CTC board of directors adopted the document Best Practices in Working with Small and Medium-Sized Enterprises in the Tourism Industry. The SME committee feels very strongly that this document will be one of the key drivers to identify what we need to do in the future.

TOURISM: Looking at the Best Practices document, I have to say I am a bit puzzled by the third paragraph of the executive summary which states, "Most SME owners and managers are not skilled marketers; many don't 'get it' with destination marketing and few have significant marketing budgets. They therefore present a real challenge for a marketing organization." Could you shed some light on this statement, which - at first glance - seems somewhat more bureaucratic than industryfocused?

Canada is all about experience... and the heart of the experience are the people and businesses that make it come alive.

Greening: To put this statement in context, we need to realize this report was undertaken for – and to help guide – the CTC itself. As committee chair I have reviewed it thoroughly and take full responsibility for it, and acknowledge this statement would be clearer if it read, "Most SME owners and managers are not skilled international marketers..." After all, the CTC's principal focus and mandate is international marketing, and as an operator who has been in the business for 33 years, I believe this statement is true - considering most operators do not consider international visitors to be their primary market. Notwithstanding that a relatively small number of operators are, indeed, highly skilled international marketers because international clients are their bread and butter market, I have to agree that most SME operators and managers - people like myself - are best skilled and equipped to deal with local or regional markets. We're just "not there" when it comes to international marketing.

TOURISM: The Best Practices document identifies a potential for willing participation by SMEs in industry development programs – especially marketing related programs and fairly intensive, one-on-one professional development activities. How are we going to implement programs like this?

Greening: I think there is a very broad spectrum of resource people out there who have skills and ability to help. I believe we have all been remiss when it comes to bringing these resources to the fore, where operators can access the special wisdom that is available. There is an enormous wealth of knowledge out there, and we haven't yet gone to these people and tapped their ability to help our country's SMEs, on the scale that it needs to happen.

TOURISM: One of the things that comes out in the report is that engaging SMEs in programs is most effectively done by those organizations closest to the industry. How do we pull this together?

Greening: When I came onto this committee, I felt pretty strongly that the CTC needed to deal more directly with SMEs, perhaps circumventing some of the other organizations that may be getting in the way, but after six years I now recognize that we will never go back to the days when there were federal tourism offices in every major city in this country. Therefore, we absolutely must work with the organizations that are geographically in place, and that means the DMOs and the PMOs. Instead of trying to circumvent each other, we all need to sit down and work out how best to get the job done for the good of the industry, and particularly for the SMEs.

TOURISM: Let's talk about priorities, as they are addressed in the report. How about the internet? SMEs identify a targeted and buyer-focused national website with direct linkages to SME sites as imperative; can you expand on this a bit?

Greening: We see this as key, because we all know the internet has changed our lives forever. Web-based marketing has to be done with savvy, and the ability to change at a moment's notice.



Debbie Greening

The Canada Brand that Jean (CTC VP, Jean B. Chrétien) has launched will clearly set the focus of the CTC consumer website, and we need to overhaul the website to make it easy for consumers to use—and possible for SMEs to be part of. And, at the same time we have to improve the ability of the SMEs themselves to use the internet, and be hooked into the CTC site as a portal.

This is the one thing that has been part of the committee's discussions over the years, and it is a consistent topic at the board table too. We have all said the single most important thing we could do for SMEs is to ensure the Canada website gives them the doorway to the world that they need; now it can be done.

TOURISM: Have you any closing thoughts?

Greening: Yes. When Jean was talking to us recently about the Canada Brand, he emphasized that the whole focus of the brand is the experience. Canada is all about experience — whether it be cultural, heritage, adventure, it doesn't matter — and the heart of the experience are the people and the businesses that make it come alive. It is the SMEs that do that, and I think it is key that SMEs be supported in forming experience-based marketing consortia.

TOURISM: Thank you! 7

Sex tourism: universal appeal, dangerous implications

For an industry focused on new marketplace buzzwords like "experiential travel", travelling for the purpose of gratifying romantic — and even sexual — desires should not seem out of the ordinary. Consider the old television show *The Love Boat* — and then take a look at current advertisements promoting cruises. The images may be of twenty-somethings with million dollar salaries and only-barely-greying-at-the-temples retired airline pilots, but those ads are targeted at a different market: middle-aged and older couples hoping to re-kindle that certain something that may have gotten lost along the way. Or perhaps widows, widowers and divorcees hoping to connect with a new partner. Sure, it's about romance — romantic destinations, new adventures in exotic locations, and so on — but it's also about sex

Canada is a multi-cultural society, and Canadians are a forgiving lot. It is true that public nudity is frowned upon – possibly having as much to do with nine months of winter and three months of mosquitoes as any puritanical bent – but by the same token we do not allow old men to beat young women with sticks for exposing their ankles. Parliament has passed a law affirming the right of gays and lesbians to marry, proving that, in general, we accord our citizens – and visitors – the right to determine the nature of their sexual proclivities.

In the tourism business, we all understand that conventions and escort agencies have a symbiotic relationship (as a glance at the yellow pages in almost any city will reveal). Likewise, the wandering eyes in attendance at the ubiquitous strip clubs often belong to business travellers. The managers of these establishments don't have to take out tourism organization memberships to let us all know they provide a service that caters extensively to visitors.

For all our liberal attitudes, though, there is one activity Canadians will not tolerate, and that is the exploitation of children for sexual purposes. Our gentle tolerance of sexual foibles — even for money — becomes outrage and abhorrence at the very mention of the child sex trade, and we now have legislation making it a crime for Canadians to have sexual contact with children outside our country as well as within. This legislation was tested in 2004 when a Canadian man was found guilty of indulging in child-sex tourism while on vacation in Cambodia. He received a ten-year sentence for this and other related crimes, a sentence which should certainly send a chill through the — hopefully small — population of sexual predators out there.

For decades, Ottawa-based Senator Landon Pearson has been a tireless advocate for the rights and welfare of children. In a recent interview with *TOURISM*, she refers to the World Tourism Organization (WTO) statement on the prevention of organized sex tourism, which "denounces and condemns in particular child sex tourism", and wonders why Canada's national tourism organizations have been slow to endorse the WTO declaration and advocate for its implementation throughout the industry.

"The work to establish a code of ethics has already been done at the WTO, and virtually all of Europe has signed on," says Pearson, "so this is not particularly onerous. But what you have to do is train staff at hotels and so forth to get out the message that child sex tourism is unacceptable. There is even a curriculum designed for this purpose, so there really is no further work that needs to be done."

The Senator is frustrated that, to her knowledge, Canadian tourism organizations and businesses are lagging behind our southern neighbours on this matter. "The first American business to sign on was Carlson Wagonlit (in 2004), and several other businesses signed-on shortly after," she says. "In Mexico and Costa Rica, even the taxi drivers have got onboard and have little signs in their cabs saying something like "Children not to be purchased".

"Child sex tourism is a very specific phenomenon," says Pearson. "This is not just about cultural sensitivity; engaging in exploitative sex with a child under 18 is a crime. In Canada we need a campaign to bring together the Canadian hotel chains and others to implement the WTO code of ethics and move the industry forward on this. It's a no-brainer!" "

People

Two new VPs at the CTC

The CTC has appointed **Greg Klassen** as vice-president of
Marketing, and **Andrew Clark** as
vice-president of Sales. Klassen
has been with the CTC since
2001, first as executive director,
E-Marketing, then as executive
director, US Leisure Marketing.
Clark, who has worked in sales
with organizations such as
Fairmont Hotels and Resorts
and Starwood Hotels and Resorts,
has held the post of vice-president
and general manager of Sunshine
Village and Ski Resort since 2004.

Dan Melesurgo has joined the CTC as executive director, meeting, convention and incentive travel sales, based in Arlington, Virginia... Lynda Haley has been appointed director of operations at Maclab Hotels and Resorts... Irene Sturzenegger has been elected chair of Vancouver, Coast & Mountains Tourism Region... Alain Miroux has been appointed general manager of the Hilton Lac-Leamy hotel... Barbara Maple, general manager of the Vancouver Convention & Exhibition Centre, has been appointed to a two-year term as president of the international Joint Meetings Industry Council (JMIC) based in Brussels, Belgium. She is the first Canadian to hold this position.

Romain Girard, executive vice-president of the Québec Bus Owners Association, has been appointed president of the province's tourism industry council — the Conseil des partenaires de l'industrie touristique. Members of the council include Charles Lapointe (president and CEO of Tourisme Montréal and CTC chair) and Pierre Labrie (CEO of Québec City's Office du tourisme et des congrès and chair of the CTC's Canada Market Committee).

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